



LOTOS Group  
Integrated Annual Report 2015

06

## Our social impact

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# Our social impact

**We are responsible for our impact on the environment and for the way we build our relations with key community groups in that environment.**

With a CSR strategy in place, from 2012 we consistently monitored progress towards our key objective in the area of integration with the local environment set for the period until 2015, namely ensuring favourable attitudes among local communities and strengthening the Company's image as a business committed to CSR practices involving a wide range of programmes, long-term initiatives, social dialogue, and research designed to eliminate and provide lasting solutions to locally relevant social and environmental problems. In the process of strategy development and implementation, local environment was defined as the areas located in the vicinity of the LOTOS Group's production plants, including the local communities, employees, customers and the natural environment within those areas. Although many of our projects extended beyond the local sphere, the local effect was an important factor during the assessment and selection of new CSR projects completed in the last few years.

Our social impact is not limited to creating jobs and the environmental footprint of our operations, but it also involves programmes, initiatives, public consultations and activities undertaken to address the expectations of specific target beneficiary groups of the newly established [LOTOS Foundation](#). We strive to manage each of those areas effectively. That is why, as in the previous years, in early 2016 we carried out an assessment of the impact of our CSR activities, as well as of the awareness of and attitudes towards our activities intended to limit our environmental impacts in the immediate neighbourhood, being the key target of our initiatives, as well in the wider group of inhabitants of the Gdańsk Province and the Bielsko-Biała and Jasło Counties, who benefit from our broader social and environmental projects.

## Our key social activities in 2015:

- We completed major multi-aspect **social projects** in each of our commitment areas – road traffic safety ('LOTOS Safety Belt Champions'), environmental protection and education ('Headed for the Baltic'), and ensuring equal opportunities ('Talent with LOTOS', 'E(x)plory');
- We also furthered **cross-sectoral cooperation**. Apart from participating in working groups appointed to develop strategies for the Gdańsk Province and the metropolitan area concept, we continued our involvement with the Development Initiation Forum, and we held meetings with representatives of local governments, SMEs and NGOs as part of workshop and networking groups organized under the Forum;
- We provided funds to support cross-sectoral **partnership programmes** in the Gdańsk Province;
- We provided further support to entities in the **social economy** sector. In 2015, social enterprises, which are often beneficiaries of our grants, completed five interesting social initiatives undertaken in response to the identified needs of local communities.
- In 2015, we established the [LOTOS Foundation](#). Its overriding objective is to **support initiatives to develop infrastructure and make a positive difference for local communities, particularly in regions where companies of the LOTOS Group operate**. In 2015, the Foundation's charitable donations totalled PLN 762 thousand, of which nearly PLN 320 thousand was spent on charity and support to non-governmental organizations operating in the closest neighbourhood of Grupa LOTOS.

- We successfully completed the first edition of the **'Helping while Refuelling'** campaign as the Foundation's first major project. It was the first-ever cause-related marketing project in the fuel industry in Poland run on such a large scale. The campaign proceeds of **PLN 318,388** were used to meet the infrastructural needs and fulfil the passions and dreams of persons under the care of the LOTOS Foundation's social partners.
- We initiated a systematic **employee volunteering** programme. We carried out a number of initiatives started by our employees, such as 'LOTOS Collects Screw Caps', consisting in collection and sale of plastic bottle caps, with the proceeds transferred as financial support to a grandson of one of the LOTOS Group's employees, who suffers from a chronic disease of muscular atrophy and requires constant rehabilitation and medical equipment. Moreover, in the Easter and Christmas periods we sell cakes baked by the 'JA TEŻ' Foundation for Development to our employees and use the proceeds to support the Foundation's activities carried out for the benefit of people with the Down's syndrome. As part of employee volunteer work, one of our teams erected a fence and performed repairs at a foster care home in cooperation with the Gdańsk Social Innovation Foundation.

## How do we create value for the environment in which we operate?

Key financial indicators	Key non-financial indicators
<ul style="list-style-type: none"> <li>■ Expenditure on social programmes: over <b>PLN 5m</b></li> <li>■ Value of donations handed over by the LOTOS Foundation: <b>PLN 762 thousand</b></li> <li>■ The amount collected during the "Helping while refuelling" campaign: <b>PLN 318 thousand</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Number of cross-sectoral social programmes and initiatives delivered by Grupa LOTOS: <b>23</b></li> <li>■ Awareness of Grupa LOTOS social and environmental projects: <b>40% of all respondents</b></li> <li>■ Assessment of our social and environmental impacts by Grupa LOTOS social partners: <b>80%</b></li> </ul>

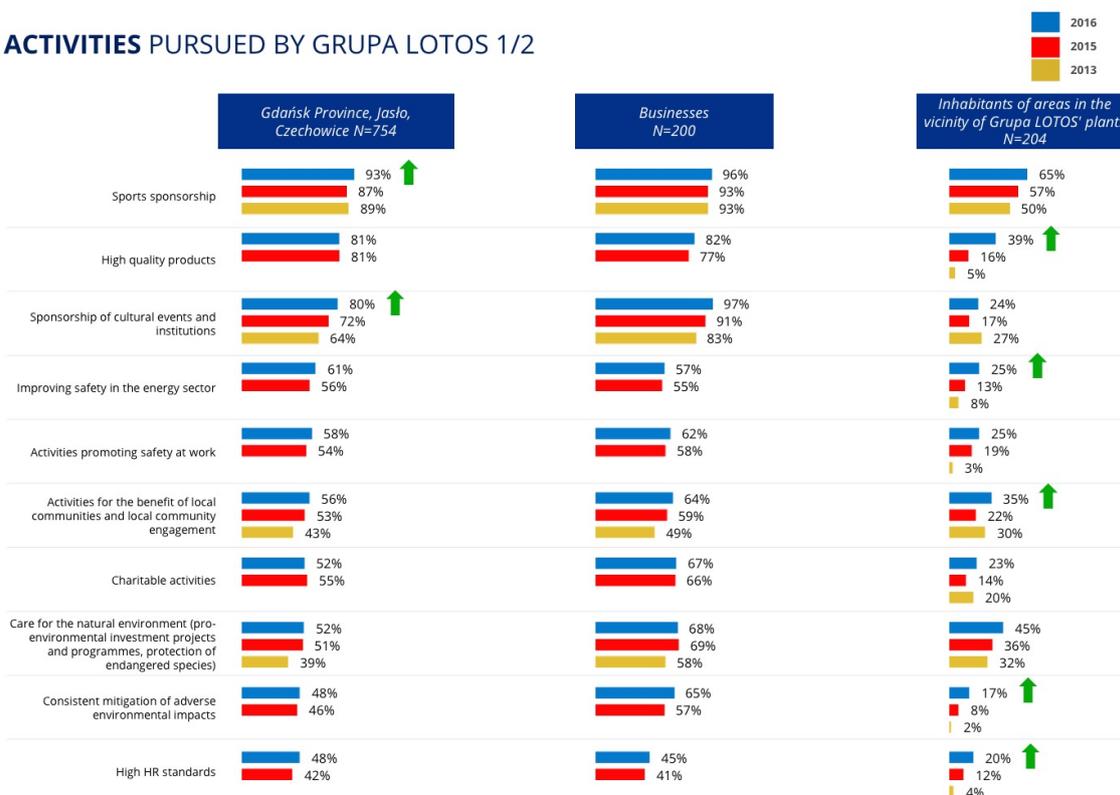
At the LOTOS Group, we believe that the main purpose of CSR activities is to translate the success of the company into benefits for the society in general. That is why in our business we take into account the needs of local communities and environmental challenges in the areas affected by our operations. As we are responsible for the quality of life in the vicinity of our production plants, we make every effort to ensure that it is as high as possible.

Our capabilities are a function of our knowledge on various social and environmental aspects related to our business, as well as of the available human, technological and organizational potential. These factors largely shape our decisions on the direction and nature of our social impacts.

In annual surveys carried out in our environment, covering both the closest neighbourhood of our production plants and a wider area of the Gdańsk Province and the Bielsko-Biała and Jasło Counties, as well as 200 businesses operating in those three areas, we place a particular focus on the positive and negative aspects of living near Grupa LOTOS's facilities. We check the effectiveness of our communication activities related to CSR initiatives in educating and rising environmental and social awareness of the target groups. We analyse the degree of interest in our operations, including the business, sponsorship and social activities. Last but not least, we ask whether the directions followed by the LOTOS Group are correct and what other issues we should address, and the answers to those questions serve as the basis for modifications and a discussion of the usefulness of our activities.

## The survey results, part 1

### ACTIVITIES PURSUED BY GRUPA LOTOS 1/2



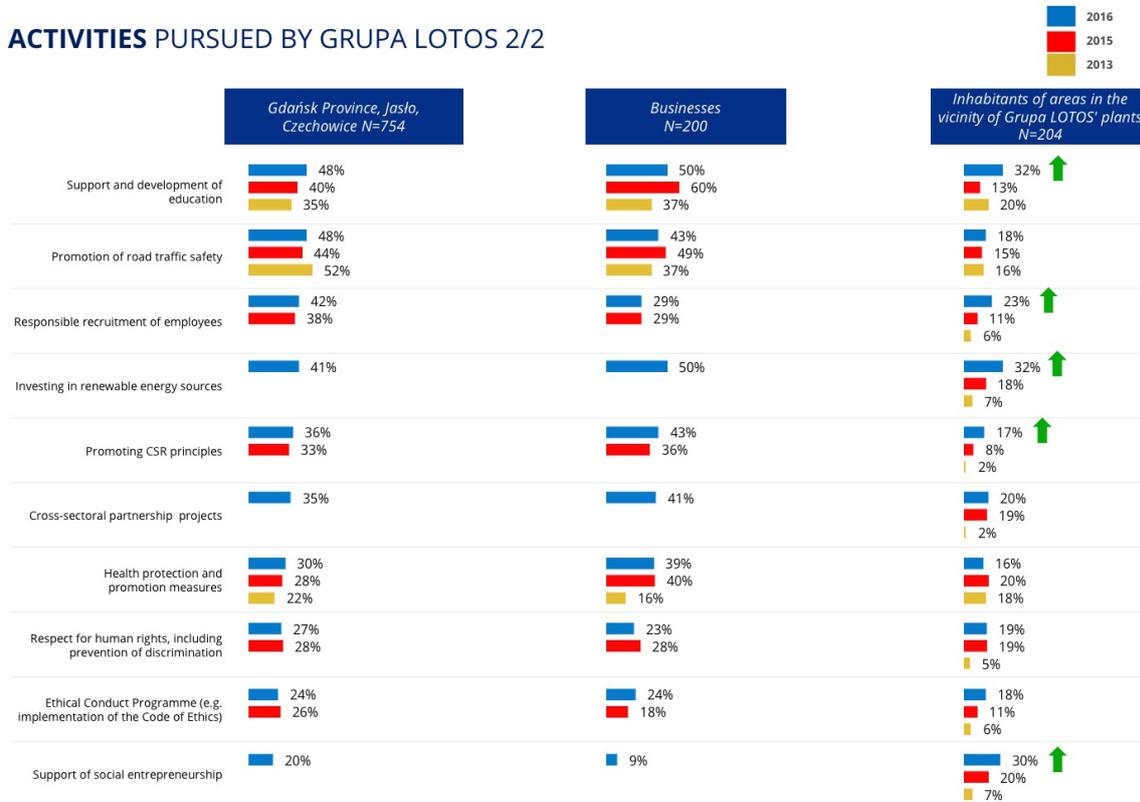
Q6. Which of those activities are, to your knowledge, pursued by LOTOS?

Data sorted for the Gdańsk Province, Jasło, and Czechowice – 2016

↑↓ statistically significant difference between 2016 and 2015 results

The level of awareness, and the resulting self-assessment of our CSR activities improved compared with the 2013 and 2015 surveys. Particularly important data is that pertaining to the social activities addressed to the communities living close to Grupa LOTOS' facilities, as well as the awareness of our initiatives designed to mitigate adverse environmental impacts (up from 2% to 17% of inhabitants in the areas located in the vicinity of our production plants).

## The survey results, part 2



Q6. Which of those activities are, to your knowledge, pursued by LOTOS?

↑ ↓ statistically significant difference between 2016 and 2015 results

Data sorted for the Gdańsk Province, Jasło, and Czechowice – 2016

In other important areas, the awareness of our activities, including promotion of the CSR concept, support to social economy entities and education, improved by at least 10 percentage points among respondents living near the refinery and our key companies in southern Poland.

We also hold consultations to verify if the directions of our activities are correct. Asked about what activities the LOTOS Group should engage in, the respondents most often pointed to the areas on which we have consistently focused under our CSR strategy since 2011.

## The survey results, part 3

### ACTIVITIES IN WHICH GRUPA LOTOS SHOULD ENGAGE (TOP2 BOXES)

	Gdańsk Province, Jasło, Czechowice N=754			Businesses N=200			Inhabitants of areas in the vicinity of Grupa LOTOS' plants N=204		
	2016	2015	2013	2016	2015	2013	2016	2015	2013
Care for natural environment, ecology	83%	81%	78%	95%	95%	94%	61%	58%	74%
Mitigation of adverse environmental impacts	76%	75%	-	93%	96%	-	64%	63%	14%
Investing in renewable energy	71%	69%	62%	86%	89%	85%	61%	61%	71%
Support to the development of research and science	60%	63%	51%	85%	85%	89%	61%	63%	76%
Sports programmes for children and youth	60%	50%	53%	75%	80%	82%	67%	64%	70%
Promotion of road traffic safety	56%	56%	58%	64%	69%	77%	59%	62%	61%
Monitoring of compliance with ethical conduct rules, social intercourse principles and environmental protection standards by suppliers and contractors	55%	48%	-	71%	76%	-	62%	65%	15%
Support and development of education	51%	49%	44%	68%	73%	72%	61%	58%	71%
Sports sponsorship	51%	51%	44%	75%	80%	85%	74%	66%	75%
Application of ethical, social and environmental criteria when selecting trading partners	51%	44%	-	68%	74%	-	57%	57%	14%
Support to local communities	50%	44%	35%	78%	80%	85%	62%	54%	66%
Health protection and promotion measures	49%	48%	45%	67%	70%	62%	63%	59%	66%
Support to the poor and people in need	44%	47%	49%	60%	58%	58%	61%	58%	63%
Sponsorship of cultural events and institutions	41%	43%	31%	70%	73%	76%	52%	52%	70%
Construction of sports fields near schools	39%	46%	37%	46%	63%	60%	59%	56%	58%
Construction of playgrounds in town districts	36%	40%	36%	52%	46%	49%	60%	58%	63%
Inclusion of service station customers in CSR programmes organized by the Company	35%	--	-	60%	--	-	55%	41%	12%
Fostering CSR principles among other companies	33%	30%	-	63%	69%	-	69%	67%	14%
Promoting Polish artists/culture	30%	28%	17%	52%	46%	38%	55%	55%	62%

Q15/ Q16. Which activities do you think Grupa LOTOS should engage in?

Data sorted for the Gdańsk Province, Jasło, and Czechowice - 2016

statistically significant difference between 2016 and 2015 results

# **Our indirect economic impacts**

# How do we affect the environment?

The impact of our business and the programmes we implement extends to:

## The labour market



**THE GLOBAL GOALS**  
For Sustainable Development



- We create new jobs and opportunities for employment and professional advancement, a case in point being the EFRA Staff Programme.
- We facilitate first steps on the labour market by organizing internships and traineeships as well as workshops for students.
- We support state and local government administration bodies in developing the labour market by sharing best practices related to the employment process.
- We establish recruitment and selection standards and we share our knowledge with third parties, for example by being a member of the Coalition for Friendly Recruitment.

More information: [ [1](#), [2](#) ]

## Quality of education



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For Sustainable Development



- **We promote and support vocational education** and we cooperate with technical schools by granting scholarships for the most talented students, offering traineeship programmes at the LOTOS Group companies, purchasing equipment for research labs, knowledge sharing, and support of our specialists of various fields in educational activities. Last year, we closely cooperated with Vocational Education Centre No. 2 in Gdańsk that teaches mainly future chemical engineering technicians and laboratory staff. LOTOS Serwis has partnered with the Communications School Complex in Gdańsk, where its employees give classes for the students and a dedicated class has been created with a curriculum focusing on skills and subjects relevant to work at LOTOS Serwis.
- We are a partner in programmes **aimed at discovering talented youth and supporting their development**, such as 'Talent with LOTOS', including three projects run concurrently in the Gdańsk Province ('Pomeranian Talent'), in Jasło ('Jasło Science League with LOTOS') and, since 2016, in Czechowice-Dziedzice, the home town of a few LOTOS Group companies ('Talent from Czechowice-Dziedzice, a Town of Fierly Enthusiasm').

- For several years now, we have been involved in the E(x)plory programme, which seeks to identify and reward innovative interdisciplinary projects focusing on medicine, IT or design of services. The projects are carried out by junior-high and high school students. The winners are awarded for the best ideas with scholarships of PLN 10,000, PLN 8,000 and PLN 5,000.
- We undertake activities to present the Gdańsk refinery, our management systems, and potential future workplaces to those young people who are interested in crude oil processing or who study in related fields. We organize guided tours on the plant's premises, our employees attend conferences, our product companies, such as LOTOS Lab, regularly take part in outdoor events for local communities, where they demonstrate the nature of their work.

More information: [ [1](#) ]

## Business growth



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For Sustainable Development



- We cooperate with local contractors and dealers operating LOTOS service stations, and organize training programmes for them.
- We cooperate with social economy entities that offer services involving the provision of advertising products, which we give to our customers and partners during holidays, or event and catering services.

More information: [ [1](#), [2](#) ]

**The area where we identify a particularly strong impact is the development of the local labour market.**

**LOTOS Petrobaltic** has more than 380 employees, over 70% of whom are residents of the Gdańsk Province. Moreover, the company runs a programme of unpaid traineeships, undertaken mainly by young people studying disciplines related to the company's core business, including from the Faculty of Drilling, Oil and Gas of the AGH University of Science and Technology of Kraków, students of mechanical engineering at the Gdańsk University of Technology, as well as students from the Faculty of Oceanography and Geography of the University of Gdańsk. The experience they gain during such traineeships may be helpful in their further professional careers.

By increasing the number of service stations in 2015 **LOTOS Paliwa** contributed to a rise in employment. At CODO stations, the staff are employed by the station manager, whereas at DOFO stations they are employed by the franchisee running the station. The average headcount is 11 persons for a LOTOS premium station and 8 persons for an economy station. In 2015, 248 new staff were hired at CODO stations; at the year end, the total headcount was 2,844. The service station staff are offered training opportunities to improve their qualifications.

A definite majority of **LOTOS Kolej's** employees were recruited from the local labour market, i.e. Poland. Senior management staff are all local residents. In 2015, LOTOS Kolej employed 139 new staff members. Also, 20 persons completed internships at the company, 6 participated in the Graduate Programme, and 2 in summer internships. Five of those persons were later employed at the company.

# Our CSR strategy

The LOTOS Group's responsible approach to activities undertaken in various spheres brings measurable effects. Our achievements in this area are possible thanks to the clear long-term objectives defined in our CSR strategy, which is closely related to our business strategy.

The efforts undertaken by the LOTOS Group in the social and business spheres, in our relations with key stakeholders and in corporate governance are aimed principally to:

- Ensure compliance with the law and ethical standards;
- Increase our positive contribution to social development;
- Mitigate possible adverse impacts of our operations and the associated risks;
- Maximize our chances for sustainable development over the long term.

Key CSR activities:

- **Ensuring equal opportunities and supporting the education and development of children and young people** – who are the target group of our social and educational programmes and various sports and social projects focusing on the support of both talented and underprivileged youth;
- **Road traffic safety** – to which the LOTOS Group contributes through the quality of its products and comprehensive educational campaigns;
- **Environmental protection and ecology** – with special focus on the biodiversity of the Baltic Sea (given the seaboard location of the Gdańsk refinery), as well as other areas of outstanding natural value, including NATURA 2000 sites, located in the Company's immediate vicinity.

In 2015 we commenced work on the new Corporate Social Responsibility Strategy whose overriding objective will be supporting the new business perspective.

[More information about LOTOS Group's Business Strategy](#)

[More information about LOTOS Group's CSR Strategy](#)

# Effective support

LOTOS Group's CSR programmes and initiatives are a response to identified needs of local communities, and many of them are implemented within the framework of cross-sectoral partnerships. We monitor the effects of our efforts by running surveys of a group of over 1,000 respondents living in the regions where we operate, and, more specifically, in the vicinity of the LOTOS Group's production plants. Each year, we prepare surveys for our long-term social partners so they can evaluate us in terms of dialogue, the quality of cooperation, and openness to communicate. In addition to questions about the quality of cooperation with Grupa LOTOS and the [LOTOS Foundation](#) (where more than 90% of the surveyed responded with 'good' or 'very good'), we also ask about the implementation of the objective underlying our CSR strategy. In answer to the following question: 'In your opinion, does Grupa LOTOS, through its initiatives, contribute to providing lasting solutions to the locally relevant social and environmental issues?', 81% of the respondents answered 'definitely yes' and 'yes'.

Social diagnosis is based on meetings with our social partners and on participation in consultations, working groups and conferences attended by various entities from the local government, business and NGO sectors. A flagship project under which new partnerships are forged and projects are implemented, including those focusing on social entrepreneurship or supporting local initiatives, is the **Development Initiation Forum**.

As part of activities undertaken in 2012–2015 under the CSR strategy in the area of integration with local communities, we focused on ensuring favourable attitudes among local communities and fostering our reputation as a socially conscious business. We achieved our goals by undertaking initiatives that address and successfully solve social and environmental problems. The positive effects of our efforts can be seen across Poland and in the particular regions where we operate, i.e. mainly in the Gdańsk Province, and in the counties of Bielsko-Biała and Jasło.

## Grupa LOTOS' lucky thirteen

As the strategic partner of the [Responsible Business Forum](#), Grupa LOTOS submits its projects to the 'Responsible Business in Poland. Best Practices' report. The 2015 report included as many as 13 best practices submitted by Grupa LOTOS.

# How do we measure the effectiveness of our support?

For each initiative, whether it is a long-term project or a single-occasion event addressed to a specific social group, we carry out an assessment of the impact on local communities. In this way we verify whether a given project positively contributes to resolving social and environmental issues.

In the case of educational projects for children and young people, we verify the number of students joining the projects and the number of winners of external competitions. As part of many of our initiatives we carry out evaluation surveys that gauge the participants' satisfaction with the proposed offer and provide comments on future assumptions and objectives which we then take into account. Apart from the information on the turnout in all of our projects and programmes, some of our partners provide us with information on further educational careers of the participants of a given programme, or the results of nationwide surveys on the usefulness of a social programme, e.g. the National Road Traffic Safety Centre sends us results of research on the number of accidents caused by failure to use seat belts and child safety seats or by their incorrect fastening and use. The findings serve as a basis for carrying out inspections among drivers and stepping up educational campaigns.

Apart from the impact on local communities, we measure the reach of media or information campaigns executed as part of the programmes, and how successful they are in getting across to potential recipients of our message, who through our ads, articles, or posters can broaden their knowledge about, for instance, the Baltic's biodiversity and its active preservation.

One of the indicators of the our CSR activities' is the number of site visits by unique visitors (individual IP addresses) at the websites of our projects and programmes.

Number of page views at websites dedicated the LOTOS Group's projects in 2015:

- [www.kierunekbaltyk.pl](http://www.kierunekbaltyk.pl) – 152 thousand users and 514 thousand page views; the 'Kierunek Bałtyk' profile (Headed for the Baltic) on Facebook – 56 thousand users;
- the „[Emocje do pełna](#)” profile (Emotions to the Full) on Facebook – 130 thousand users;
- [www.sledzfoki.pl](http://www.sledzfoki.pl) – 90 thousand users and 271 thousand page views;
- [www.sokoly.lotos.pl](http://www.sokoly.lotos.pl) – 40 thousand users and 150 thousand page views;
- [www.piikalotos.pl](http://www.piikalotos.pl) – 17 thousand users and 43 thousand page views;
- [www.lotoscup.pl](http://www.lotoscup.pl) – 2 thousand users and 4 thousand page views.

# **Key areas of the LOTOS Group's CSR activities**

# Fostering equal opportunities



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For Sustainable Development



One of the areas of focus for our CSR initiatives is creating equal opportunities for children and young people by supporting their education. The projects we engage in are selected based on the assessment of their effectiveness and of how adequately they address the needs and actual problems. What enables us to make informed decisions about which projects to choose is the close and good relations with the local communities and social partners in the areas where our plants are located.

## Our flagship projects

### We engage our clients in the 'Helping while Refuelling' programme

In November 2015, LOTOS Paliwa launched the company's and the fuel industry's first ever sales support project combining charity with image building, under the name 'Helping while Refuelling'. The joint initiative of LOTOS Paliwa, Grupa LOTOS and the LOTOS Foundation was the first cause-related marketing scheme organized on such a large scale in the fuel sector in Poland. The main objective of the campaign was to encourage motorists to buy fuel at LOTOS and LOTOS Optima service stations as each litre of fuel they purchased meant funds transferred to the LOTOS Foundation's account.

Our cooperation in the venture demonstrated that business efforts can be effectively combined with marketing and social activities to help those who need it the most. This landmark event opened a new stage in the LOTOS Group's long-term Corporate Social Responsibility Strategy.

### The goal we set ourselves

In addition to improving sales performance, we wanted to offer tangible support to the beneficiaries of the LOTOS Foundation's long-term social partners in the pursuit of their passions and dreams.

### Who received our help?

- [Gdańsk Social Innovation Foundation](#) (Gdańska Fundacja Innowacji Społecznej)  
 The campaign proceeds totalling PLN 218,388 were used to organize winter holidays for 20 children and refurbish five supported flats for former residents of children's homes who begin independent living.
- The '[Osiedle Sitowie](#)' (Sitowie Housing Estate) project run by the Municipal Centre for Family Support in Gdańsk (Miejski Ośrodek Pomocy Rodzinie w Gdańsku)  
 PLN 100 thousand helped fulfil the dreams of 14 residents of the 'Osiedle Sitowie' project. We bought toys, bikes, computers and vouchers for clothes and books. The collected funds were also spent on driving courses as well as judo and dancing classes for the older youth. Further, we helped finance purchases of various fittings and equipment for the flats occupied by the 'Osiedle Sitowie' beneficiaries.

### How was the money collected?

From November 16th to December 5th 2015, the LOTOS Foundation's account was credited with PLN 0.01 for each litre of ON Dynamic and PB98 Dynamic fuels purchased at LOTOS and LOTOS Optima service stations. Each litre of diesel oil, PB95, PB98 and LPG sold at the stations meant another PLN 0.005 transferred to the account. The project's ambassador was Robert Kubica, a rally driver. Other famous athletes who encouraged motorists to help while refuelling included Kamil Stoch, Piotr Żyła, Kajetan Kajetanowicz, Sebastian Mila, Piotr Gacek, Mateusz Mika, and Robert Lewandowski. The programme was accompanied by radio and television campaigns and distribution of BTL sales support materials at the LOTOS service stations. What made this campaign unique was the use of non-standard communications media at all LOTOS and LOTOS Optima service stations, that is dedicated meters showing the amount collected since the beginning of the campaign.

## What else did we do?

The second phase of the campaign was the 'Winning while Refuelling' lottery started on December 7th 2015. It was a way for LOTOS Paliwa to thank its clients for contributing to the pool of funds for children. They were offered a chance to win PLN 500 in a draw held every hour as part of a special lottery on RMF FM radio.

## Business effect

Apart from helping our social partners to carry out valuable social projects, the 'Helping while Refuelling' and 'Winning while Refuelling' projects vastly enhanced our sales. We saw a double-digit year-on-year growth in the volumes of fuels sold: [\(1, 2\)](#)

## Support for the talented ones

'Talent with LOTOS' is an initiative by which we seek to contribute to the development and education of children and youth in the regions where LOTOS Group companies are present. It is our response to the need for increased support to talented students in the Polish education system. We have implemented the 'Pomeranian Talent' programme in the Gdańsk Province and, in cooperation with the town of Jasło, the 'Jasło Science League with LOTOS' in the Jasło region. 'Talent with LOTOS' is targeted at elementary and junior-high schools as well as kindergartens.

In the 2014/2015 school year, 131 league teams were set up as part of Jasło Science League with LOTOS, including 500 children and 60 teachers. Within the framework of the 'Pomeranian Talent' project, 1,332 students from the Gdańsk Province took part in education and development activities. In 2016, another initiative was incorporated in the 'Talent with LOTOS' scheme, this time targeted at talented children and youth from the region of Czechowice-Dziedzice, a third location of key importance to the LOTOS Group's engagement with local communities. 'Talent from Czechowice-Dziedzice, a Town of Fiery Enthusiasm'. This project is to enhance systematic patronage of talented students from elementary and junior-high schools, and in particular identify the most promising talent and support their teachers, shaping scientific thinking and promoting project-based methods in education. It will see 92 students from elementary and junior-high schools work under supervision of 18 teachers on scientific and research projects, which will be then assessed by experts and rewarded with prizes sponsored by the Mayor of the Czechowice-Dziedzice Municipality and Grupa LOTOS. The project will be implemented under direct patronage of LOTOS Terminale.

[More information about the 'Pomeranian Talent' project](#)

[More information about 'Talent with LOTOS'](#)

## E(x)plory

For five years, the Advanced Technologies Foundation has successfully run the E(x)plory programme, a unique initiative creating and promoting scientific culture and innovations in Poland and globally. The guiding idea of E(x)plory is to support talented scientists in the pursuance of innovative projects, develop businesses', organizations' and institutions' best practices in the areas of innovation and modern technologies, expand cooperation with talented young people, and encourage curiosity and interest in science among local communities.

The E(x)plory programme consists of a number of modules:

- The E(x)plory scientific competition, joined by ca. two million students each year, who submit approximately 150–200 projects. The competition consists of the regional stage and the nationwide finals, which ends the programme in a given year. The projects are evaluated by more than 50 jury members (academics and managers), representing the most prestigious universities and scientific institutions as well as innovative companies from across Poland.
- Regional Science Festivals, attended each year by more than two thousand participants, mainly junior-high and high school students. The festivals are the venue of open workshops and shows for children and the youth.
- The closing event – Gdynia E(x)plory Week – a great celebration of science and innovation for more than three thousand students. The Nationwide Finals of the E(x)plory Science Competition and the E(x)plory and Innovations Congress for representatives of business and science are held during the closing event.
- The winners' participation in international competitions, such as Intel ISEF in the US and INESPO in the Netherlands. 2015 saw 11 programme winners participate in international competitions.
- Internship programme for the youth: the Foundation organizes internships at prestigious universities in Poland, attended by 18 students in 2015.

[More information about E\(x\)plory](#)

## Good Neighbour programme

The programme comprises numerous activities, which are sometimes area-specific and dispersed but which share one basic feature: they are addressed to communities living in the immediate vicinity of Grupa LOTOS. Most of the activities are centred around the objectives defined in our strategy, that is equal opportunities, road traffic safety, ecology and environmental protection.

The programme involves the following activities:

- Supporting picnics, sports events, summer camps, etc.,
- Supporting educational activities in the area of environmental protection and road traffic safety,
- Developing the residents' understanding of our refinery's operation and assuring them that it has state-of-the-art environmental security controls,
- Providing assistance to public benefit institutions and organizations, especially those helping children and young people,
- Organizing Children's Day and Santa Claus gift-giving events for local community children,
- Supporting social initiatives, capital investments or repair works at educational institutions.

## Children's Day at LOTOS Kolej

In 2015, the Children's Day was celebrated with the Rail Technology Day, co-organised by the LOTOS Group and LOTOS Kolej. In previous years, LOTOS Kolej organised the Rail Technology Days in cooperation with SKM Trójmiasto, and with PKP Energetyka and PKP Intercity. The event attracted railway lovers, company employees and the local community. The LOTOS Group organised the event alone to celebrate the Children's Day as the initiative for the local community in a selected district nearby, in accordance with the assumptions of the "Good Neighbour" programme. Having analysed the facts, both LOTOS Kolej and the LOTOS Group decided it was possible to organise a single event addressed to all the addressees of the two events. The event attracted more than three thousand people, including the LOTOS Group's employees and their families as well as children living in the nearby districts, i.e. Olszynka, Rudnik, Przejazdów, children from LEONARDO school and nursery school, and children from the parish of Our Lady of Sorrows in Gdańsk.

The event was to present the LOTOS Group as a socially responsible company in line with the CSR strategy assumed, and LOTOS Kolej as an eco-friendly one, meeting the highest standards, i.e. high-tech locomotives, tight cleaning of rail tankers, taking care of the environmental protection.

The assumption was to give children an insight into everyday work of a modern company such as LOTOS Kolej and present it in an understandable and attractive manner, to show places which are usually not accessible, e.g. Traffic Management Center, Signalling Center, Depot, Rail Tanker Cleaning Station. There were many attractions prepared for the participants, e.g. the opportunity to take a handcar or locomotive ride, competitions on the stage. There were also games related to the areas supported by the LOTOS Group, e.g. football matches on a professional pitch and traffic safety. We also used the opportunity to ask those present for their opinions on the event. 91% of the respondents were very happy with the way the event was run and the attractions it offered. 70% of the respondents were able to spontaneously enumerate a few areas and names of CSR programmes carried out by the LOTOS Group, such as 'Safety Belt Champions', 'Headed for the Baltic' or granting scholarships for students.

## Good climate for cooperation

Grupa LOTOS and the UP **Foundation for Initiating Development** have partnered in a flagship cross-sector programme, Development Initiation Forum (FIR). The organization was created on the initiative of individuals who are aware of the need for social and economic changes in the Pomerania region, and has a mission of initiating and supporting social and economic development using the potential created by cross-sector partnerships. Since 2014, Grupa LOTOS has also been the general partner of the FIR's Grant Fund, which helps partnerships that bring together the public, private and NGO sectors. In 2015, PLN 240 thousand was spent on grants for nine cross-sector projects aimed at promoting social entrepreneurship, employment of individuals at risk of social exclusion, physical activity and healthy diet. The co-financing grant was up to PLN 25 thousand. The judging panel composed of representatives of business circles, local governments and non-government organizations selected five initiatives in the first round of the competition, and four initiatives in its second edition.

[More information about FIR](#)

## Grants go to the responsible ones

In 2015, Grupa LOTOS selected the winners of the second edition of the 'Responsibly with LOTOS' grant contest addressed to student organizations – members of ENACTUS Poland. The contest is designed to support interesting projects that correspond to the objectives of Grupa LOTOS' CSR strategy in the area of society, natural environment or road traffic safety. Its second edition was open to student societies and organizations registered in Poland and there was no requirement for the submitted projects to be confined to the regions where Grupa LOTOS is implementing its CSR strategy. The participants competed for a grant of PLN 10,000.

[More information about 'Responsibly with LOTOS'](#)

[More information about ENACTUS](#)

## Involvement of LOTOS Straż fire brigades in rescue operations in the city of Gdańsk

At the request of the State Fire Service, the LOTOS Straż rescue and fire-fighting brigade takes part in rescue operations outside the LOTOS Group's refinery. In 2015, the firefighters were involved in an operation in Gdańsk Śródmieście where an injured crane operator required assistance. They also responded to an accident involving two passenger cars on the S7 national road near the entrance to the premises of the LOTOS Group.

The LOTOS Straż rescue and fire-fighting brigade engages in promoting fire safety among the local community during the 'Żuławski Tulipan' event in Pruszcz Gdański, and each year, the brigade divers take part in cleaning up the Baltic.

[Other initiatives for the benefit of local communities](#)

# Road traffic safety

The high degree of danger in road traffic is a serious social issue both in Poland and globally. Aware of the social importance of the problem, for more than a decade we have been pursuing internally-developed social and educational programmes, supporting numerous initiatives aimed at promoting road safety in Poland.

## Safe with the seat belt

In 2015, Grupa LOTOS and the National Road Traffic Safety Centre held the second, nationwide edition of the 'LOTOS Safety Belt Champions' programme. The project's ambassador is a LOTOS Rally Team racing driver who won the European Rally Championship in 2015. 'LOTOS Safety Belt Champions' is a prevention and awareness programme focusing on the proper fastening of seat belts, and selection and correct use of child safety seats. During special PIT STOP sessions, most of which were held at LOTOS service stations, more than 3,500 motorists took part in individual tutorials provided by experts. Our activities also included three 'Stay Safe – It's Good to Be Alive!' seminars and safety training at three elementary schools. For more information about the programme: ['LOTOS Safety Belt Champions'](#).

### **LOTOS Geonafta:**

the company repaired 11.3 km of local roads between its facilities.  
The project cost was nearly EUR 4.2 thousand.

# Environmental protection and ecology



**THE GLOBAL GOALS**  
For Sustainable Development



The key area where our environmental protection capabilities are put to use is the preservation of the Baltic Sea's biodiversity, which follows primarily from the coastal location of the Grupa LOTOS' refinery. We are also strongly committed to raising the environmental awareness of our employees.

The flagship project in this area is 'Headed for the Baltic', an initiative bringing together organizations involved in research on environmental protection, nature conservation activities and environmental education. Our joint efforts focus on the areas in direct proximity to the Gdańsk refinery, which are of great natural value, the local animal species, and the biodiversity of the marine fauna and flora.

## 'Headed for the Baltic'

Since 2009, Grupa LOTOS has worked with the Foundation for the Development of the University of Gdańsk and the Marine Station of the University's Oceanography Institute in Hel as part of a programme which until 2014 was conducted as 'LOTOS Protects the Baltic Sea Wildlife', and in 2015 was renamed as 'Headed for the Baltic'. Our joint goal is to halt the extinction of the most endangered sea animal species in the Baltic waters, with our efforts focused on porpoises, which are often referred to as the 'Baltic cousin' of the dolphin (currently their population is estimated at 100). Apart from measures designed to protect the endangered species, other projects pursued jointly by the programme partners include awareness raising initiatives and promotion of the knowledge of the Baltic's biodiversity.

## 'Protect the Wildlife of the Sobieszewo Island'

Initiated in 2010, the programme 'Protect the Wildlife of the Sobieszewo Island' is run together with the Ornithology Station of the Museum and Institute of Zoology of the Polish Academy of Sciences, the KULING Waterbird Research Group, and the Association of Sobieszewo Island Lovers. The project provides for comprehensive initiatives on the Sobieszewo Island, especially in the Mewia Łacha Reserve, with the key goal of preserving the island's natural riches and pro-environmental education aimed to promote the respect for and understanding of the natural environment. The programme contributed to building new tourist infrastructure, including an educational trail across the Mewia Łacha Reserve, which minimizes the threats to the local avian population.

Grupa LOTOS has initiated the 'Buy the Seal a Herring' campaign. The project participants can finance a meal for one or more seals by contributing any amount through the ['Headed for Baltic'](#) platform.

[See more on Facebook](#)

[More information about "LOTOS pomaga bałtyckiej przyrodzie" programme](#)

# Social and sports programmes addressed to children and youth

The social programmes we engage in go beyond the three priority areas of fostering equal opportunities, road traffic safety, and environmental protection. A significant part of our efforts is devoted to initiatives intended to promote active and healthy lifestyles among children and youth. We attach great importance to supporting young sports talent.

## Our flagship projects

### 'In Search for the Champion's Successors'

#### Ski jump to the top

With the assistance of the Polish Skiing Association, in 2004 we initiated the National Ski Jumping Development Programme ['In Search for the Champion's Successors'](#) to support the most promising young ski jumpers. As part of this largest social and sports project in the history of Polish skiing, since 2005 we have held LOTOS Cup ski jumping tournaments in Zagórz, Zakopane, Wisła and Szczyrk. We also finance sports equipment for clubs that train young ski jumpers. Since 2004, the most talented jumpers from 19 clubs in different parts of Poland received, among other things, 261 sets of skis and bindings, 237 skiing suits, 100 helmets, and 210 pairs of ski jumping shoes. By providing the clubs with professional sports equipment, we enable them to offer full training to children from the youngest age groups. Each year, after the end of the LOTOS Cup competition, the programme funds scholarships and awards for the best young jumpers who top the general classification of the tournament.

### 'Football Future with LOTOS'

#### Football in a fair-play environment

['Football Future with LOTOS'](#) (renamed 'White and Green Future with LOTOS' as of the end of 2015) is a programme we run with the New Lechia Gdańsk Football Academy to promote football among the youngest inhabitants of the Pomerania region. There are 14 centres cooperating with the New Lechia Gdańsk Football Academy as partner clubs or affiliated clubs within the framework of the project, which includes a common training programme for all the centres, training courses for the coaches, purchases of training and sports equipment, jointly organized football camps, and sports scholarships for the most promising players and for those in a difficult financial situation. Currently, the systematic long-term training programme covers more than 3,000 children, who train for and regularly take part in football games organized by the Regional Football Associations. The New Lechia Gdańsk Football Academy is expected to be a pool of talent for junior national teams and professional sports clubs.

# Sponsorship of cultural events

Our commitment to the development of arts and culture is manifest in the support we offer primarily to the institutions of culture and cultural events in the regions where we are present – in the Gdańsk Province, and in the administrative districts of Bielsko-Biała and Jasło. We contribute to long-term projects that have a social dimension. We also support those initiatives which build the regions' potential and attractiveness in terms of cultural events in the national scale.

## Flagship projects pursued by Grupa LOTOS in the area of patronage of culture in 2015

### Jazz flavours

2015 saw the [17th edition of LOTOS Jazz Festival – Bielska Zadymka Jazzowa](#), Grupa LOTOS holds naming rights for this event, representing the most important jazz festival in the south of Poland and attracting music lovers from Poland and other countries alike. For nearly 10 years, it has been accompanied by a competition for young jazz musicians, where the main prize is an opportunity to record, release and promote their debut albums.

### On the big stage

Grupa LOTOS lends support to the Gdańsk [Shakespeare Festival](#) organized since 1997 and counting among the largest international theatrical festivals in Europe. For many years, the event has also featured an attractive educational programme of the Summer Shakespeare Academy, targeted at young people from Poland and abroad, for whom it is an opportunity to experience world class theatre and meet with the people who create it.

### Two Theatres – a festival organized by Polish Radio and Television

This non-commercial event organized by TVP and available to wide audiences is an opportunity to watch theatre plays and participate in meetings with the stars of the Polish theatre free of charge. The event is unique in Europe as it combines a festival of theatrical performances produced by the public media with a competition of theatre plays staged by the Television Theatre and radio dramas of the Polish Radio Theatre, promoting Polish culture. The performances shown during the Festival are assessed by a jury. The participants can enjoy the creative output of the radio and television theatre by watching and listening to the plays and dramas registered for the competition. The festival features live performances, concerts and discussion panels with the authors.

# LOTOS Foundation

# LOTOS Foundation

The LOTOS Group is strongly committed to ensure efficiency and effectiveness of what it does, both at the business level and in CSR initiatives. That is why in June 2015 we established the LOTOS Foundation to manage our philanthropic policy. This was done to ensure professionalism in our charity and social activities, development of our philanthropic initiatives, support to our CSR strategy and business, as well as greater involvement of our staff in social work.

## LOTOS Foundation's mission:

**wide-ranging social activity to make a positive contribution to the social and natural environment.**

## LOTOS Foundation's aims:

**to support initiatives that help develop infrastructure and make a positive difference for local communities, particularly in regions where companies of the LOTOS Group operate.**

To meet the expectations concerning the directions of our philanthropic activities, the Foundation focuses on **the environment and its protection (particularly in the Baltic Sea) and reduction of social inequalities, especially among children and teenagers, for example by supporting education, science etc.**

During the first six months of its operation, the Foundation spent more than PLN 760,000, providing support to 47 entities.

Area	Amount spent (PLN)	Number of entities
Social and charity activity	329,388.13*	9
Science and education	151,885.00	3
Sport	110,200.00	17
Environmental protection and ecology	109,300.00	5
Health protection and promotion	30,000.00	5
Culture and art	21,000.00	5
Preservation of tradition	10,500.00	3
Total	762,273.13	47

\* Including support provided to social partners under the 'Helping while Refuelling' programme

Owing to the funds provided by the LOTOS Foundation, more than 170 children from low-income families participated in leisure activities organized for them and received Christmas gifts.

As regards science and education, the Foundation supported several initiatives with exceptional social contribution and reach. Caring for Poles living in countries east of Poland, the Foundation co-financed the purchase of four school buses for Polish schools in the Vilnius region in Lithuania, bought equipment for selected schools and awarded grants to the best students.

The Foundation co-financed summer holidays for more than 320 children and teenagers. Those initiatives were mainly addressed at low-income families living in the vicinity of the LOTOS Group refinery in Gdańsk as well as at children from children's homes and childcare facilities. In addition, the LOTOS Foundation supported several initiatives promoting physical culture and sport among children and the youth, including with disabilities.

With a view to preserving the natural riches around the LOTOS refinery in Gdańsk and offering pro-environmental education aimed to promote the respect for and understanding of the natural environment, the LOTOS Foundation ensured financial support to the 'Protect the WILDLIFE of the Sobieszewo Island' programme, executed in cooperation with the Ornithology Station of the Museum and Institute of Zoology of the Polish Academy of Sciences, Biologic Station of the Gdańsk University Development Foundation, the KULING Waterbird Research Group and the Association of Sobieszewo Island Lovers. The project provides for comprehensive initiatives on the Sobieszewo Island, especially in the Mewia Łacha Reserve.

The LOTOS Foundation also cares for endangered species of marine fauna of the Baltic Sea, notably the harbour porpoise and seal – it made a donation to the Gdańsk University Development Foundation to finance the purchase of specialist research equipment to be used in the scientific and research operations of the Marine Station of the Gdańsk University's Institute of Oceanography in Hel.

Furthermore, the Foundation supported initiatives for health promotion and protection, culture and art, as well as preservation of tradition.

In 2015, the LOTOS Foundation co-organized the 'Helping while Refuelling' campaign – funds raised from fuel sales at LOTOS service stations were used to help beneficiaries of the support provided by the LOTOS Foundation's social partners fulfil their dreams and needs.

We make sure the LOTOS Foundation is a transparent organization which openly communicates its operations and their effects.

[Learn more about the LOTOS Foundation](#)

**Large corporations started to establish their own foundations in Western Europe and the United States in the 1990s, when the responsible business concept was developed and the idea of businesses playing social role too was promoted – according to a report by the Benefactors Forum.**